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Employer Update for Employers of the Maine State Retirement System, June 2008

Maine Public Employees Retirement System

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EmployerUpdate

for Employers of Maine Public Employees Retirement System



JUNE 2008

State Employees Participating in the Voluntary Cost Savings Program

State employees participating in the Voluntary Cost Savings Program (VCSP) are on an unpaid leave of absence for MainePERS' purposes. This is true whether the individual is working a reduced work week, sporadically taking time off, or taking an extended period of time off without pay. The System grants up to a month's worth of service to members that are on authorized unpaid leaves of absence. Leave service accrues at the same rate as the member was accruing in the six months prior to the start of the leave. For example, a member who worked full-time during the 6 months before the leave started will receive up to 30 days of leave service per year.

The System can only grant leave service if the employer reports the leave. If the leave type is not one that generates a Human Resource Profile form, the employer must provide the System with documentation of the leave type and its begin and end dates, in order for the employee to be granted the allowable leave credit. For more information, contact the System's State Unit at 207-512-3100.

New Legislation Adds Flexibility for Participating Local Districts

Newly enacted legislation will provide more flexibility in the administration of your MainePERS defined benefit plan. PL 490 An Act to Clarify Retirement Programs for PLD allows:

- Eligible PLD employees, who are also covered by Social Security, to join MainePERS at any time as long as the employee is still employed by the PLD and the employer is still an active PLD. Before, the employee had only one opportunity each year to join.
- MainePERS to establish a twice a year schedule (January and July) for enrolling new PLDs into the Plan, and for existing PLDs to make plan changes. Previously, a PLD could only join the Plan or make a plan change with an effective date of July 1st of any year.

Updating Beneficiary Information

Beginning later this year, MainePERS will contact members by mail to update information on beneficiaries of record, both for Group Life Insurance and Retirement benefits. Members will receive a mailing that includes their current beneficiary information. We will ask the member to verify the Social Security number and date of birth for designated beneficiaries. For more information, contact SurvivorServices@mainepers.org.

Completing the Preliminary Benefit Certification Form

As employees retire, continuity of income is a priority. MainePERS offers the Preliminary Benefit (PB) program so that eligible retirees begin receiving estimated benefit payments as early as the first month of retirement. This program can also make the conversion of health insurance coverage more seamless.

MainePERS cannot begin paying benefits until we confirm that the individual is eligible to retire. For some employees, eligibility may depend on the number of days or hours they worked in the final year and/or the number of unused leave days available to them at termination. The PB certification form includes the confirmation information.

When a prospective retiree submits a service retirement application, MainePERS forwards a Preliminary Benefit Certification Form to the last employer. The timing of the return of this form is important. The employer cannot return the form to MainePERS before the employee's termination date, but MainePERS needs the form within seven (7) days after the employee terminates in order to put the new retiree on the benefits payroll. If you have questions about completing a Preliminary Benefit Certification Form, please contact the Retirement Services State, Teacher or PLD Business Unit.

Grant Funded Teacher Rates for Fiscal Year '09

The Employer Contribution Rate for grant and federally funded teacher salaries for the upcoming fiscal year (FY09) is 18.76%. The new rate applies beginning with the July 2008 payroll report, due on or before August 15th.

Please share this rate information with staff, especially those responsible for reporting payrolls and defined benefit plan contributions to MainePERS.

New Employers Join MaineSTART

We'd like to welcome our newest participating employers to the MaineSTART 457 Plan. Since January 2008, the following employers adopted this MainePERS deferred compensation plan. For more information about how to offer MaineSTART to your employees, contact Stephanie Fecteau, DC Plan Administrator at Stephanie.Fecteau@mainepers.org.

Belfast Water District
Berwick Sewer District
City of Lewiston
Cumberland County

Jay School Department
Sagadahoc County
Town of Dexter
Wells Ogunquit CSD

Reporting Reminder

"Pay Back" Payroll Deductions Are Not Pre-Tax Dollars

"Pay Back" payroll deductions are one of the ways active members can purchase/repurchase service credit with MainePERS. Unlike regular member (employee) contributions, "Pay Back" payroll deductions are not made with pre-tax dollars.